

## **Fact Sheet: U.S.-Turkey Economic Partnership**

In April 2009, President Obama and Turkish Prime Minister Erdogan agreed to elevate U.S.-Turkish bilateral economic relations to a strategic level commensurate with our historically close political-military ties. In the last four years, U.S.-Turkish commercial relations have touched new highs; bilateral trade reached record levels of nearly \$20 billion in 2011, with U.S. FDI in Turkey of over \$5 billion and Turkish FDI in the United States of nearly \$1 billion.

### **The Framework for Strategic Economic & Commercial Cooperation (FSECC)**

President Obama and Prime Minister Erdogan launched the Framework for Strategic Economic & Commercial Cooperation (FSECC) in 2009 as part of our bilateral commitment to strengthen the economic component of the bilateral relationship. A Cabinet-level dialogue, chaired by the Secretary of Commerce and the United States Trade Representative for the United States and the Deputy Prime Minister for the Economy and Minister of Economy for Turkey, the FSECC has become a core institution for aligning bilateral economic priorities and advancing our mutual trade and investment policy objectives. Additionally, the United States' proposed Transatlantic Trade and Investment Partnership (T-TIP) with the European Union (EU) could have an impact on Turkey, given its Customs Union with the EU. With that in mind, the United States and Turkey decided today to establish a bilateral High Level Committee led by the Ministry of Economy of Turkey and the Office of the U.S. Trade Representative, associated with the Framework for Strategic Economic and Commercial Cooperation, with the ultimate objective of continuing to deepen our economic relations and liberalize trade.

### **Cooperation to Promote Clean Energy**

Developing the market sector for clean energy technologies is critical to meeting Turkey's energy demand and is ripe for U.S.-Turkish cooperation. As Turkey seeks to accommodate rapidly growing energy demand, it recognizes the need to identify new energy sources and to further improve its energy efficiency. To meet Turkey's plans to achieve 30 percent renewable energy production by 2023, and \$40 billion in investment in clean energy sector by 2020, the United States and Turkey have accelerated their cooperation on clean energy issues. These activities include partnering to implement a pilot project of the "Near Zero Zone." This project has helped industrial companies operating in the Izmir Ataturk Organized Industrial Zone reduce their energy usage through a series of cost-effective efficiency upgrades. The United States is seeking to support the Turkish replication of the Near Zero Zone in other industrial zones across Turkey, including the Kayseri and Dudullu Industrial Zones, by providing technical training to Turkish industrial zone managers to target specific industrial zone technical issues and to Turkish Energy Service Companies to share U.S. technical skills and experience, and new efficiency technologies.

### **Leading the Innovation Economy**

The United States and Turkey recognize that the innovation economy is critical to creating good jobs and robust economic growth in both of our countries. So we are working together in priority sectors for our economies – including healthcare, pharmaceuticals, and information and communications technology – and in policy areas at the heart of the innovation agenda – including the protection of intellectual property rights, regulatory transparency, and the ease of doing business – to foster a closer collaboration on innovation between our countries. This work reinforces our collaboration, including through our bilateral Science and Technology Dialogue, to enhance research collaboration on a range of common priorities, including medicine, energy, and agriculture. Turkey is also one of six countries participating in the BOOST program, which helps young entrepreneurs understand how to identify and commercialize their technologies. American companies are also eager to participate in Turkey's Movement to Enhance Opportunities and Improve Technology (FATIH) project. The multi-billion dollar FATIH project – the single largest investment in education that Turkey has ever committed to – will bring high-speed Internet access to 42,000 secondary schools, and over 620,000 classrooms will be transformed into “smart classrooms” through the use of the latest technology.

### **Forging Alliances Between our Companies**

Between 2009 and 2011, U.S. exports to Turkey increased 106 percent and, from 2010 to 2011, U.S. FDI in Turkey nearly tripled. Over 1,200 U.S. companies now operate in Turkey – an increase of nearly 50 percent since 2007. Over the last two years, new investments by Cummins, Pratt and Whitney, AES, Dow, GE, 3M, AMGEN, and Pfizer are illustrative of increasing U.S. private sector interest in Turkey. Many of the new successful joint ventures between U.S. and Turkish firms are designed to manufacture innovative products in Turkey for both domestic production and export to third country markets. Examples include:

- General Electric invested \$900 million in 2012, AmGen made a \$700 million acquisition, and 3M announced a \$500 million project.
- Ozkan Steel is planning to invest \$150 million in a plant in Louisiana that will produce steel for the shipbuilding industry.
- Borusan Mannesmann intends to manufacture steel pipes for shale gas production, investing \$150 million in a construction facility that should become operational in the second half of 2014. These two projects will create hundreds of jobs in the United States.
- DOW recently partnered with the Turkish firm AKSA to produce carbon fiber in Turkey – a \$1 billion in investment in Turkey over the next five years – with plans to re-export to third markets in the future.
- Sikorsky Aircraft Corporation has been selected to supply a \$3.5 billion order for 109 S-70i Blackhawk helicopters to Turkish Aerospace Industries.

Going forward, the United States and Turkey will continue, through the FSECC and other bilateral initiatives, to build on these efforts, focusing on important policy areas and high-growth sectors. With this focused strategy and high-level commitment to bolstering our trade and investment ties, the future looks bright for U.S.-Turkish economic relations.